
Finance Committee

HB 1882

Brief Description: Providing a property tax exemption for real and personal property leased to public hospitals established under chapter 36.62 RCW.

Sponsors: Representatives Santos, Hunter and Kenney; by request of Department of Revenue.

Brief Summary of Bill

- Exempts personal property leased to and used by a county hospital for hospital purposes from property tax.
- Excludes the residence of a person that provides day care for children in the person's home from the property tax exemption for nonprofit day care centers.

Hearing Date: 2/12/09

Staff: Rick Peterson (786-7150).

Background:

All property in the state is subject to property tax each year based on the property's value, unless a specific exemption is provided by law. The State Constitution exempts property owned by the United States, the state, counties, school districts, and other municipal corporations from property taxes. There are several property tax exemptions that exist for nonprofit organizations. Some exemptions apply only to property owned by a nonprofit organization, and other exemptions apply to property either owned or leased by a nonprofit organization.

Nonprofit day care centers are exempt from property tax on the property they use for day care center purposes.

In 2001, the Legislature amended the property tax exemption for nonprofit hospitals in ESHB 2191 by specifically exempting real and personal property leased by public hospital districts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Harborview Medical Center claimed this tax exemption for its property; however, it was recently discovered that they do not qualify because they are not a public hospital district. Rather, Harborview Medical Center is owned by King County and was established under the general authority for a county to establish and maintain hospitals for the care and treatment of the indigent, sick, injured, or infirm.

Summary of Bill:

The personal property leased to and used by a county hospital for hospital purposes is exempt from property tax. The exemption is applied both prospectively and retroactively beginning with taxes levied for collection in 2002 and thereafter.

The property tax exemption for nonprofit day care centers does not apply to the residence of a person that provides day care for children in the person's home.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.